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Ameriprise's 'excellent quarter' hits $1T in client assets
By Rob Burgess
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Minneapolis-based Ameriprise Financial reported a record amount of total client assets in the third quarter.

"We had another very good quarter building on another strong year. The business is performing quite well," said Jim Cracchiolo, chairman and CEO of Ameriprise, during an earnings call with investors on Thursday. "While the environment is fluid, Ameriprise is extremely well-positioned and we're helping our clients navigate what's ahead. … Across Ameriprise, we're focused on serving clients well as we continue to build, invest in and take the business forward."

Ameriprise saw a 26% increase in total client assets to an all-time high of $1 trillion, with wrap assets up 28% to $569 billion.

"The power of Ameriprise comes from our client relationships and the consistent success of our complementary businesses that continue to deliver strong results," said Cracchiolo. "In wealth management, our goal-based advice value proposition is helping to drive excellent client satisfaction and practice growth."

Adjusted operating net revenues within Ameriprise's advice and wealth management segment grew 14% to $2.7 billion in the third quarter compared to a year ago due to growth in client assets and increased transactional activity, among other factors.

"We had an excellent quarter and feel good about how we are positioned going forward," said Walter Berman, chief financial officer, also during the earnings call.

Total assets under management also jumped 14% to $672 billion during the same period.

"Overall, it was another strong quarter as earnings continue to expand mainly from continued strong performance in wealth management, cost initiatives in asset management and high capital return," stated an analysis by Chicago investment banking and private wealth management firm William Blair.

Overall, GAAP net income was down 41% to $511 million in the third quarter compared to a year ago, primarily from market impacts on the valuation of derivatives and market risk benefits.

The firm added 71 advisors during the quarter, bringing its total headcount to 10,368.

"We feel good about our pipeline," said Cracchiolo. "I'm pleased to see Ameriprise and our advisors stand out in the industry for excellent client service, leading growth and overall quality of their practices."

Ameriprise has been in the news lately due to its legal actions fighting rival LPL Financial's recruiting methods. Last week, LPL filed a motion in federal court in San Diego opposing Ameriprise's previous request for a preliminary injunction seeking to bring a halt to some of its recruitment practices.

Ameriprise has contended LPL's recruiting tactics reveal a "widespread pattern and practice of harvesting and misappropriating Ameriprise's private, confidential client information and trade secrets." LPL argues Ameriprise's accusations rest on a meritless and "cynical" misportrayal of how recruiting deals typically take place between independent broker-dealers.